GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:12
ANSWERED ON:22.11.2006
LOSSES INCURRED BY POSTAL DEPARTMENT
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Postal Department is running into huge losses;

(b) if so, the details thereof and the reasons therefor;

(c) the losses incurred during the last three years;

(d) the details of allied services rendered by the Postal Department;

(e) whether the Postal Department proposes to book cargo and set up a bank to augment its revenue and to wipe out its mounting losses;

(f) if so, the details thereof; and

(g) the time by which the said proposals are likely to be effected?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) Yes, Sir. Department of Posts is running into revenue deficit.

(b) Though the Department is running in revenue deficit, the same is in a declining trend as compared with last years performance in this regard. The deficit of the Department stood at Rs.1375.22 crore, 1381.84 crore and 1210.60 crore in 2003-04, 2004-05 and 2005-06 respectively. Moreover the deficit of the Department is due to the following reasons:-

(i) Nearly eighty nine percent of the expenditure is incurred on mandatory items like salary, pension of staff etc..

(ii) Rates of most of the Postal services have not kept pace with the cost of operations.

(iii) Department is providing a host of services as part of Universal Service Obligations as per the policy of Government.

(c) The revenue deficit of the Department for the last three years are as under:-

(Rs. in Crore)

Years	Losses/Deficit
2003-04	1375.22
2004-05	1381.84
2005-06	1210.60

(d) The Department of Posts renders a large number of allied services apart from its core postal services. Some of them are given below:-

(i) Sale of Passport Application Form

(ii) Management of Small Savings

(iii) Telecom Revenue Collection

(iv) Sale of UPSC Forms

(v) Sale of IDBI Forms

(vi) Sale of Income Tax Return Forms

(vii) International Money Transfer Service

(viii) Retailing of Non-Life Insurance Products
(ix) Disbursement of Railway, Coal Mines, Telecom, EPF Pension

(e) Department has introduced logistic Post Services that provides bookings and delivery of consignments, irrespective of their weight from logistics Post centre. As far as setting of Post Bank is concerned, the matter is at a conceptual stage.

(f) & (g) Do not arise in view of (e) above.